

Internal Revenue Service

memorandum

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Br4:RJFitzpatrick

date: MAR 09 1990

to: Deputy Regional Counsel (Tax Litigation) CC:W

from: Assistant Chief Counsel (Tax Litigation) CC:TL

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subject: Last Known Address

This responds to your February 27, 1990 inquiry on the IRS Service Center Procedures for updating taxpayer addresses. We greatly appreciate your bringing your concerns to our attention in order to alleviate administrative concerns facing the Service in the wake of Abeles v. Commissioner, 91 T.C. No. 1019 (1988) acq. I.R.B. 1989-31 (July 31, 1989). As explained below, we have forwarded your comments to Office of the Assistant Chief Counsel (Income Tax & Accounting) for their consideration in implementing the Service's new procedures in this area.

Several administrative actions have been taken in the wake of Abeles. In an effort to improve the Service's address processing, a Multifunctional Address of Record/Undeliverable Mail Study Group was formed with representatives from all functions of the Service such as Examinations, Collections, Taxpayer Service, Return Processing, etc., to insure a uniform approach and application of the new "last known address" procedures. That way, no one function will operate outside the limits established administratively and the chances of one function improperly changing an address will be minimized.

The objective of this Study Group is to reduce the amount of Service mail which is returned undelivered and still, consistent with existing case law, mail notices to a taxpayer's "last known address." In addition, the approach of this Study Group is to take a fundamental look at "how the Service should do business" and determine what systems would better our relations with taxpayers in this problem area. An Advisory Report has been prepared which assesses known locator systems and perceived procedural and systematic problems in the procedures, processes, and data bases the Service now uses in the area of address correction. The Study Group is now utilizing this report as its initial agenda for taking an accelerated, proactive stance in resolving taxpayer address of record problems.


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The Study Group has completed its first task, the development of a proposed revenue procedure to set forth the Service's requirements as to the address of record for a taxpayer and provide guidelines for updating a taxpayer's master file address. The Office of the Assistant Chief Counsel (Income Tax and Accounting) has worked extensively on the finalization of this revenue procedure and it is anticipated that it will be published in the Internal Revenue Bulletin and released to the public very soon. The second phase for the Study Group will be to develop legally viable third-party locator systems for the Service's use in updating master file addresses which will include assessing the viability of current IRM instructions. Already, Examinations has formulated new instructions in this area, and we anticipate other functions will provide guidance after the revenue procedure is finalized and released to the public. The feasibility of changing a taxpayer's "last known address" by the Service's receipt of "yellow label" change of address notices from the U.S. Postal Service will be addressed by the Study Group and again we appreciate you bringing this matter to our attention.

If you have any further comments or questions concerning this matter, please contact Robert J. Fitzpatrick at FTS 566-3345.

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By:

  
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Chair, Multifunctional Address of Record/  
Undeliverable Mail Study

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